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*Development Branch
Treasury and Economics Dept. Regional
Design for development & statements and speeches*

DESIGN FOR DEVELOPMENT

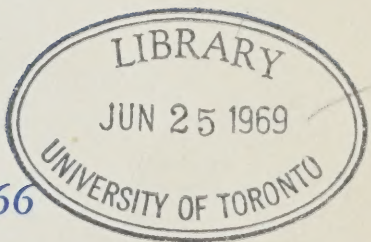
STATEMENT BY THE PRIME MINISTER

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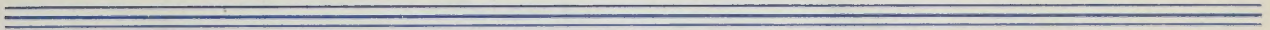
PROVINCE OF ONTARIO

on

REGIONAL DEVELOPMENT POLICY



Tuesday, April 5th, 1966



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PREAMBLE

The following statement, "Design for Development," which I am pleased to deliver on behalf of the Government of Ontario, is a document through which the government expresses its concern that all economic regions of the province should share in a purposeful provincial development programme. On this same occasion, the Minister of Economics and Development is introducing two important pieces of legislation: an Act to create an Ontario Development Corporation and an Act to provide for Regional Development Councils. The Minister will describe in greater detail the scope and purpose of the new Ontario Development Corporation.

First, may I say that we have not suffered from a shortage of wise counsel. The government has received through meetings, conferences, and an extensive survey of the literature, a wide range of advice and opinion. These included the deliberations of the International Conference on Regional Development and Economic Change sponsored by the Department of Economics and Development in 1965, the report of the Select Committee on the Municipal Act and Related Acts, the organization and approach of regional development programmes in other jurisdictions, the views of Ontario's present Regional Development Associations as expressed through the Ontario Regional Development Council, the views and practices of



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Ontario government departments and agencies - obtained by questionnaire and extensive interdepartmental meetings at both Cabinet and civil service levels, and the recommendations of the Ontario Economic Council arising from a report prepared for it by Professors Kreuger, Horton and Pearson, of the Department of Geography, University of Waterloo.

We are fully conscious of the diversity and variety of opinions and of the many conflicting theories of regional development. However, we have followed three essential principles. In the first place, this government accepts the responsibility of guiding, encouraging and assisting the orderly and rational development of the province. In the second place, we believe that our efforts should be complementary to the private sector of the economy in helping to create an atmosphere for growth and development. In the third place, [we believe that policies must be cast in the mould of Ontario's conditions and not simply borrowed from other jurisdictions where fundamental characteristics and institutions may differ.]

The purpose of this paper is to provide a statement on the meaning of regional development as seen by this government and on the policy to be followed by the Ontario Government in shaping its programme - "Design for Development".

CHAPTER I

GOVERNMENT RESPONSIBILITY AND OBJECTIVES

1. It is the responsibility of the Ontario Government to assess the present and future requirements of the province relating to social, economic, and governmental development. The provincial government also has the responsibility to carry out and give direction to regional land use and economic development planning. It has the duty to ensure that, when development occurs in any part of the province, it shall take place as a result of good regional planning. Such planning must include consideration of water supply, sewage disposal, transportation facilities, highways, agriculture, mining, the location of industry, the supply of labour, and all the other factors necessary to the provision of the best possible social and economic climate for the people who live and work within the region.

Although separate and distinct, two of our principal objectives are the provision of the best possible environment for our people and, at the same time, the creation and maintenance of an atmosphere which will encourage economic growth and development throughout the province. These two objectives have been

considered together in the framework of a programme designed to bring both qualitative and quantitative benefits to all people in the province.

2. The timing and impact of our large and expanding investment expenditures must be effectively planned and coordinated within the overall needs of the provincial economy. Similarly, we believe that our regional plans and priorities should always contribute to the total environmental development and economic performance of the province. On this dual basis, the responsibility for the control and administration of any regional undertaking by the government should be in the hands of a central authority which can cut across both departmental lines and county or municipal boundaries in meeting and solving regional problems.
3. The philosophy of the present Ontario Government has always been to encourage and assist individuals to develop their full capabilities, to encourage economic competitiveness, and to provide a climate of expanding employment opportunities for a growing labour force.

The provision of government services in support of these objectives, and others, has produced a tremendous expansion in the public sector of the economy in recent years. Planning for the provision of these services and for the huge expenditures which they require must be coordinated.

4. Regional development policies are instrumental aspects of a broader provincial growth policy. On this basis, appropriate regional development requires comprehensive planning. It is also this government's role to ensure that regional land use planning is undertaken so that the regions of the province are developed according to an orderly plan which would include environmental and economic considerations. Such an approach looks not only to general land use, but also to the social and economic potential of a region and its centres, and concentrates on developing these centres in the interests of the region as a whole.

5. Regional development in Ontario will provide the basis whereby different regions or areas can develop their potential for specialization. Through the use of government programmes, or public expenditures on development capital, the Government of Ontario can guide regional growth.

Some regions in Ontario have an advantage in the production of forest and mineral products. In other regions, the advantage may lie in agriculture, or tourism and recreation, or in manufacturing, finance and services. Many types and forms of economic activity can be performed to some degree in each region of the province. Accordingly, we will strive for regional economic specialization based upon an intensive programme of research and inquiry into regional resources and potential for growth.

6. The smoothing out of conspicuous regional economic inequalities will be sought through the regional distribution of government budgetary expenditures, through the provision of technical, financial, and administrative services, and through the use of programmes carefully selected to encourage labour mobility, tourism, agriculture, resource development, manufacturing, and other forms of economic activity.

7. It is the function of government to achieve these many objectives. At the same time, it is necessary to ensure that an effective two-way system of communication is established between the province and local interests within each region, as represented by county and municipal governments, and by regional organizations already in existence. Local initiative, responsibility, and advice must continue to be encouraged and sought in any scheme of provincial planning and economic development.

Recognizing the inter-relationships among the three levels of government - federal, provincial and municipal, Ontario must continue in its efforts to maintain close coordination not only among its own departments and programmes, but also where possible, with the relevant programmes and activities at the other levels.

8. Finally, it must be emphasized that this statement is concerned with regional development and not regional government. Any regional development structures created by this government will be such that they will not disturb the existing power and authority of the municipal and county councils within the regions. Great caution has been exercised to avoid the imposition of new forms of government. Moreover, studies are now being conducted in certain areas of the province which could lead to recommendations for adjustment in local area government. The implementation of our regional development policy will in no way interfere with such considerations of area government, but rather, could well lay the groundwork for changes which might eventually be appropriate.

CHAPTER II

REGIONAL ACTIVITY OF GOVERNMENT DEPARTMENTS AND AGENCIES

1. Many of the departments of the Ontario Government have developed, over the years, strong and effective regional policies and organizations. The regional activities of such departments and agencies are being carried out through a complex system of administrative, functional, promotional and planning regions. Many departments have used the county as the basic unit in forming their administrative regions but, owing to differing regional work loads, few have used the same combinations of counties. The result has been that a wide variety of functional and administrative regions has come into existence. Although these regions may, in the past, have been well suited to the purposes for which they were originally created, their continued existence does make it difficult to coordinate regional activity for the government as a whole.

2. Much of Ontario's regional development program will be accomplished by a thoroughgoing coordination of the programmes, policies and spending of government departments and agencies. One of the pressing priorities for Ontario Government action is the coordination of public expenditures, on a regional basis. By providing the framework within which the private sector may build, direct public investment in services is a potent tool for development. Ontario considers that the planning for land use, economic growth, health and welfare,

water resources, recreation, agriculture and industrial development must be considered in the total context of our provincial regional development programme.

3. Expenditures for new road construction and maintenance have an important regional impact. The Department of Highways is now undertaking regional highway studies on the scope and direction of future traffic flows across the province. Long-term regional highway construction programmes can be designed not only to service current transportation requirements but also to stimulate future geographic development patterns.
4. The Department of Education has assumed an important role in the development of coordinated and planned provincial budgetary expenditures on an overall and a regional basis. The need for post-secondary education, for expanded technical facilities, and for adult retraining is pressing. Increased public investment in education in the lower-income regions of Ontario is perhaps the best long-run key to development. The location of community colleges, technical and vocational institutes, secondary schools, and labour training centres must follow major population densities, but provision will be made in the less densely settled areas of Ontario to obtain access to these important educational institutions.
5. The Department of Agriculture has one of the most thorough regional organizations in the province. This stems from the

dominant role which agriculture has played in Ontario's past. The Department of Agriculture has helped Ontario's farmers cope with the continuing problems of mechanization, crop improvement, marketing, and farm finance. In this effort, it has cooperated closely with federal programmes and policies.

Much research effort has already been undertaken to identify the causes and location of today's agricultural fringe. We know how and why agricultural methods are changing. We know where most of the marginal farms are. Any programme of agricultural adjustment, either to reduce a farm's marginal character or to help farmers move from the land to suitable alternative occupations, must take into account the future shape of the total regional economy and its prospects for growth.

The Agricultural Rehabilitation and Development Administration programme in Ontario, the secretariat of which is attached to the Department of Agriculture, also operates regionally. Ontario ARDA programmes are cleared through an ARDA Directorate appointed from those departments most interested in regional resource development. ARDA activities are jointly financed by the federal and provincial governments - the share of each depending on the type of programme. At the local level, ARDA activities are carried out by county ARDA committees with the assistance of regional rural development officers attached to the ARDA branch of the Department of Agriculture.

The planning and use of ARDA programmes and research will continue to form an important part of our comprehensive regional development programme.

6. The Ontario Department of Lands and Forests is active in timber leasing and rights, forest conservation, land use research, "crop" development, disease control, and fire services in the heavily forested areas of Northern Ontario. To many of the citizens of Ontario, however, Lands and Forests stands for its reforestation programme and for the excellent calibre of Ontario's provincial parks. At the regional level, Ontario will continue to take advantage of the land use studies done by Lands and Forests to ensure that an integrated regional parks system emerges.

7. The Department of Tourism and Information supports numerous Regional Tourist Councils across the province. The Councils are mainly concerned with tourist development and promotion. Under these terms of reference, many of the Tourist Councils have worked closely with the Regional Development Associations. This has led to voluntary proposals to merge the Tourist Councils with the Regional Development Associations. This represents a step in the right direction and will undoubtedly mean both better tourist promotion and a reduction in overlapping services.

8. The Department of Municipal Affairs, and in particular the Community Planning Branch, can do much to facilitate the broad aspects of regional land use planning. From the great wealth of experience which the Department has acquired over the years, and from its close contacts with Ontario's municipalities, and its administration of the Municipal Act, the Planning Act, and the Assessment Act, the Department will be a vital agency in the regional development programme.

9. Ontario's numerous Conservation Authorities are a form of regional activity which is unique in Canada. They are responsible for carrying out projects relating to the conservation and development of soil, water, forest, fish and game resources within their drainage basin boundaries. The responsibility for water pollution control has recently been assumed by the Ontario Water Resources Commission. Conservation authorities, however, continue to cooperate closely with the OWRC at the local level. The Conservation Authorities, with their wide knowledge of regional resources problems, can make an important contribution to overall regional development planning.

10. The Ontario Development Agency provides management advice and guaranteed loans for working capital to small businesses. An expansion of its activities - through the new Ontario Development Corporation - will do much to increase its

effectiveness in regional context. Changes in technology, science, data processing and electronic programming are bringing about new conceptions of business management. Enlarging the activities of the new Ontario Development Corporation in the provision of technical and management services and training will be an effective means of raising the competitive quality of regional business activity. At the same time the Ontario Development Corporation will provide financial aid, not only in form of working capital but also initial financing, to a wide range of companies unable to obtain financing through regular lending institutions.

11. Since 1954, Ontario has been divided into ten broad economic regions. Increasingly over the years, these regions have been used by the public and the federal and provincial governments for promotion and planning purposes. In nine of the regions, Regional Development Associations have been formed, backed by grants from the Department of Economics and Development and membership fees from municipalities. The Associations are independently chartered under The Corporations Act, operate under their own by-laws, elect their own directors and engage their own staff.

Within their original frame of reference, the Regional Development Associations have performed creditably in establishing regional identity through promotion, information and education.

However, as the situation has changed over the past decade, the original terms of reference have become inadequate. The Associations have encountered many difficulties in attempting to create - with sparse financial and professional resources - adequate development programmes for their regions. For these reasons, the Ontario Government intends to provide a new means by which regional participation in development planning can be made more effective.

CHAPTER III

ORGANIZATION - GOVERNMENT LEVEL

1. The accomplishment of our programme is essential to meet the future expansion of population and to ensure the continued economic growth of the entire province. Since the Cabinet is the ultimate policy-making and coordinating body of the provincial government, a Committee of Cabinet will be established with the function of directing and coordinating the preparation and implementation of regional plans relating to land use and economic development, housing, highways, transportation, agriculture, industry, education and other matters pertaining to growth and development within the province. The Cabinet Committee will be chaired by the Prime Minister who may designate a vice-chairman. The Prime Minister will also designate the Secretary of the Cabinet Committee.

2. To assist the Cabinet Committee, a Departmental Advisory Committee comprised of senior civil servants familiar with the regional activities of their departments will also be established. The function of this Advisory Committee will be to examine and submit regional development plans and programmes to the Cabinet Committee. The Advisory Committee will also direct and coordinate the activities of the Regional Advisory Boards.

3. Within each region there will be established a Regional Advisory Board composed of a senior civil servant from each provincial department with offices in the region. A representative of the Regional Development Branch in the Department of Economics and Development will call and chair the meetings of the various boards. The Regional Boards will have no power per se, but will be expected to provide guidance and advice on regional matters to the Departmental Advisory Committee. At the same time, the Boards will serve as a useful forum for the discussion of regional problems and a means to further interdepartmental cooperation and coordination in the field.
4. The Secretary of the Cabinet Committee will be responsible, among other things, for supporting and coordinating the work of the Departmental Advisory Committee and the Regional Advisory Boards, and for the liaison of the Regional Advisory Boards, or the liaison of any government department, with the Regional Development Councils.
5. In order to achieve better coordination of government regional activities, Ontario Government departments and agencies will work towards the adoption of common administrative regions. While it may be neither practical nor desirable to attempt this for the administrative regions of each and every department, this will be the long-run goal for most. At the very minimum, common geographic units

will become the basis for developing departmental regional structures.

6. To achieve the optimum utilization and growth potential of regional resources, intensive regional research will be systematically undertaken in order to provide the basis for regional planning. Much of the preliminary research necessary has already been carried out in various government departments. Analysis of existing as well as new research will include natural resource potential, manufacturing and agricultural potential and rural, urban and recreational land use. Similarly, direct investment, power supplies, markets, transportation facilities, roads, commuter habits, housing and social services merit serious and continuing study on an area and regional basis. Water supply and conservation as well as sewage and waste disposal deserve special attention in order to alleviate existing anomalies and ensure proper resource use in the future. A concern for people and human resources is also indispensable to proper regional planning. Income patterns and levels, labour force characteristics, educational institutions, and cultural and social amenities will be thoroughly investigated.

7. Recognizing that much of the necessary detailed research is beyond the professional and financial resources of

voluntary citizen groups, the Department of Economics and Development will, through its Regional Development Branch:

- a) outline the terms of reference for regional economic studies;
- b) undertake, with its own research staff, and with the assistance of regional universities, private consultants and other government departments, a comprehensive programme of regional economic research;
- c) receive and evaluate proposals for research projects from the various Regional Development Councils.

In addition, funds are being allocated in the estimates of the Department of University Affairs to make possible an expansion of regionally-related research in the universities. Other potential sources of research funds at the federal and provincial levels such as ARDA and the Area Development Agency will be fully explored and utilized.

ORGANIZATION - CITIZEN LEVEL

8. The advice and participation of local citizens and municipalities are necessary ingredients in any programme of regional development. Local and regional representatives of regional citizen bodies will be encouraged to initiate

their own programmes as well as to make proposals for provincial action. The autonomy of such regional agencies and their willingness to work on a volunteer basis will continue to be recognized.

9. Over the past decade, the Ontario Government has assisted, through a system of annual grants, the establishment of Regional Development Associations, Regional Tourist Councils and, more recently, County ARDA Committees.

It is recognized that many citizen agencies, including the Regional Development Associations, are now moving to a more intensive examination of regional economic growth potentials on a more coordinated basis. Preliminary steps toward this type of regional coordination have already been voluntarily initiated in several economic regions. The government encourages the present trend toward voluntary merger of regional citizens' groups when such mergers work to the common advantage of the region and its inhabitants.

10. In order to encourage the increased participation of county and local municipal councils and in recognition of the growing importance of the functions and advice of regional citizens' groups, the government will:

- a) Recognize the Regional Development Associations by legislation and re-name them Regional Development Councils.

The legislation will permit the permanent staff of the Councils to participate in the Ontario Municipal Employees Retirement Scheme, and also provide for expanded annual grants from the province. Each Council will receive an outright annual basic grant of \$15,000, together with an additional grant of \$10,000 on a matching basis in order to cover the normal expenses of meetings, travelling, offices, hearings, promotion, and staff and secretarial services. Payment of this grant will be dependent upon advance approval by the Minister of Economics and Development of each Council's annual programme and the Minister will coordinate the work of the various Councils.

In recognition of the expanded importance of the Regional Development Councils, it is proposed that an honorarium be accorded each Council Chairman. Accordingly, a sum of up

to \$1,000 per year will be earmarked for this purpose in the basic grant.

- b) Provide for the annual appointment to the Ontario Economic Council of one nominee selected collectively by the Regional Development Councils.

- c) Under the coordination of the Secretary of the Cabinet Committee, make available the economic research facilities of the Department of Economics and Development and, on a consultative basis, the assistance of government field staff.

CHAPTER IV

SUMMARY

The "Design for Development" outlined in this statement of policy is broad and comprehensive. Our aspirations cannot be fulfilled overnight. The limitation of resources in terms of manpower, finance, and experience means that we must gradually acquire the tools to forge ahead with regional development planning. However, the nine measures which we are about to introduce in our regional development policy provide the guarantee that the proper machinery for the task will be available to this government.

One is the establishment of the Cabinet Committee, with broad terms of reference, and upon which we place great emphasis. This Committee will be concerned with the inter-related processes of policy, priorities, planning and coordination of government activity. The need for such a Committee to assist in carrying out the regional development programme is accepted by this government. One of our principal instruments of regional development policy will be the use of government budgetary expenditures directed to regional needs. In this sense, the need for priority planning of government expenditures, which we stressed in our recent budget, and regional development planning are closely inter-related. Thus, regional development will be contained within the broader spectrum of provincial development. Accordingly, among the broad respon-

sibilities of this Committee will be the task of directing and coordinating the preparation and implementation of regional development plans. From this central focus flow eight additional measures.

Two is the formation of the senior Departmental Advisory Committee to advise and assist the Cabinet Committee, to review plans prior to submission to the Cabinet Committee, and to direct and coordinate the Regional Advisory Boards.

Three is the presentation of our legislation reconstituting the present Regional Development Associations, as advisory citizen bodies, to be named Regional Development Councils.

Four is the presentation of legislation to permit the enlargement of the scope of activities of the Ontario Development Agency. Under new terms of reference, the Ontario Development Agency will become the Ontario Development Corporation and this new institution will assist industrial development in the province through the provision of loans for fixed capital.

Five is the preparation for comprehensive regional economic research through the Regional Development Branch of the Department of Economics and Development.

Six is a corollary of the above and involves establishing the terms of reference for regionally-related research which may

be contracted out to Ontario universities and consulting firms.

Seven is our expectation that our comprehensive research programme will provide the necessary insight required to formulate development plans based on the concept that regional growth centres are the unifying social and economic force within the region.

Eight is the establishment of a Regional Advisory Board composed of the senior civil servants in the region. These Boards will advise the senior Departmental Advisory Committee on matters of interest in the region.

Nine is our intention to work toward the gradual establishment of common administrative and planning regions among the operating departments and agencies of the provincial government.

CONCLUSION

We believe that this programme represents the beginning of a comprehensive approach to regional development planning. We also have every reason to expect that new directions and new vistas will emerge from the operation of this programme. At

all times, we shall be seeking means of ensuring that people in all parts of the province share in the benefits of economic and social development, and that regional development will be looked upon as an integral part of this government's contribution to the development of the province as a whole. We are confident that this programme represents a modern, forward-looking design for development.

